GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3393
ANSWERED ON:18.12.2015
Inconvenience to Bank Customers
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Will the Minister of FINANCE be pleased to state:

(a) the measures taken by the Government/Reserve Bank of India (RBI) to overcome the inconvenience caused to the customers on account of consecutive holidays in the banking sector that happens very frequently;

(b) whether the Government/RBI proposes to pass instructions to both public and private sector banks to keep internet banking, mobile banking and ATM services fully active during such a prolonged holiday period; and

(c) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a): The matter of declaration of bank holidays has been left to the States / Union Territories Government to choose any of the 15 holidays (including three national holidays, namely, Republic Day, Independence Day and Birthday of Mahatma Gandhi). The 12 holidays are to be chosen by State Governments in consultation with the Regional Directors of the Reserve Bank of India, in such a manner that as far as possible, there should not be two or more consecutive holidays in banks in order to avoid inconvenience to banks' customers, trade and industry.

(b) and (c): Reserve Bank of India (RBI) has adopted a concept of Uniform Holiday system for Real Time Gross Settlement (RTGS), National Electronic Fund Transfer System (NEFT) and Cheque Truncation System (CTS) to ensure uniformity and smooth functioning of the centralised payment systems. Under this Uniform Holiday approach for RTGS and NEFT the systems are operational even if one of the metro center, namely, New Delhi, Chennai, Mumbai and Kolkata, is open. The system does not run only on those days when there is a common holiday declared in all the four metros.

In case of CTS, RBI has adopted the same RTGS holiday and also one more parameter that CTS will be closed in case of all the participating states in the grid are observing holidays, even though RTGS is working on such days.

Since Internet Banking and Mobile Banking are online services, available on continuous basis, these are not affected during the holidays.

As regards ATM services, banks ensure that the ATMs are fully stocked during the holiday period and up-time of ATM services is monitored by banks to ensure that ATM services are not affected during the holiday period.
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